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# AGRICULTURAL COOPERATION

LEGAL, ECONOMIC, AND ORGANIZATION INFORMATION COLLECTED BY THE DIVISION OF COOPERATIVE MARKETING,  
BUREAU OF AGRICULTURAL ECONOMICS, UNITED STATES DEPARTMENT OF AGRICULTURE, WASHINGTON, D. C.

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## ELEVEN BILLION POUNDS MILK MARKETED COOPERATIVELY

Approximately eleven billion pounds of fluid milk was marketed through cooperative associations in 1927. This quantity is nearly one-fifth of the estimated quantity used in continental United States for household purposes last year.

A large fraction of the total fluid milk used in some of the larger cities passes through cooperative channels in moving from the producers to the consumers. Such is the case in Philadelphia, Baltimore, Washington, New York City, Hartford, Boston, Pittsburgh, Cleveland, Cincinnati, Detroit, Minneapolis, and other cities.

There are three general types of cooperative enterprises engaged in marketing fluid milk. These are the producers' bargaining association, the producers' distributing association, and the consumers' distributing association. The bargaining association functions chiefly in the determination of the monthly price to be paid by private distributors to the producers. About sixty per cent of the fluid milk marketed cooperatively is under the control of the bargaining associations. It is this type of association which operates in the larger cities.

The producer-operated distributing association assembles, processes and delivers milk to consumers, such as hotels, restaurants and private families. About 40 per cent of the milk marketed cooperatively is handled by this kind of producers' organization. In general, these distributing associations operate in the small cities, although there are producers' associations distributing milk at retail in a few of the very large cities.

At the present time there is but one outstanding consumers' cooperative for handling fluid milk. This is an association serving the residents of Minneapolis. The enterprise buys its supply of milk from a producers' association, puts it in bottles and distributes it to the homes of its members and others.

Such data as are available indicate that the quantity of fluid milk handled by the cooperatives has been increasing rapidly during the last three to five years. Reports collected by the Department of Agriculture for 1924 and 1927 show a substantial increase in quantity for the latter year as compared with the former.

SEVEN YEARS GROWTH OF FEDERATED CREAMERIES

Since its organization and incorporation, June 7, 1921, the federation which is now the Land O'Lakes Creameries, Inc., Minneapolis, has developed from an enterprise chiefly concerned with improvements in creamery practices into a butter merchandising organization doing an annual business of more than \$46,000,000. About 300 creameries federated under the name of Minnesota Cooperative Creameries Association, Inc., for the immediate purpose of establishing a service for improving quality and standardizing manufacturing practices. The organization began to function in January, 1922. In 1923 it began the cooperative purchase of creamery and dairy supplies. and in 1924 it undertook the selling of butter and other dairy products.

Growth of the enterprise as measured by figures is as follows:

Year	Member creameries Dec. 31 (Number)	Total business*	Net earnings**	Dividends and refunds#	Butter printed (Pounds)
1921	301	-----	-----	-----	-----
1922	382	-----	-----	-----	-----
1923	450	\$ 608,979	\$ 80,482	\$ 39,462	-----
1924	476	13,122,598	71,241	91,971	-----
1925	445	38,889,226	141,921	110,309	9,514,932
1926	---	39,851,656	100,007	123,166	17,263,442
1927	---	46,315,079	197,087	84,129	23,039,604

\* Creamery supplies, dairy products and poultry products. Purchase of creamery supplies began in 1923 and the sale of butter in 1924.

\*\* Not including patronage dividends or refunds on supplies bought by member creameries.

# Largely refunds on creamery supplies.

Earnings of \$281,217 are reported for 1927, coming from the following sources: supply department, \$135,384; general service, \$38,206; butter sales department, \$33,001; cheese department, \$25,051; reconditioning tubs, \$20,726; milk powder department, \$18,814; cream department, \$4,220; miscellaneous, \$5,815.

At the close of 1927 the organization had a net worth of \$655,577; outstanding certificates of indebtedness amounted to \$500,809; and the members' equity in the assets was \$1,156,386.

Certificates of indebtedness are issued to cover deductions from amounts paid member creameries. They are payable two years from date of issue and earn 6 per cent interest per annum. The amounts deducted are used as a revolving fund for prompt payments to creameries for dairy products delivered to the association for marketing.

ALBERTA DAIRY POOL PLANS TO ACQUIRE PROPERTIES

In its two years of operation the Alberta Cooperative Dairy Producers, Ltd., Edmonton, has been working in cooperation with private companies to improve dairy conditions in the province, and a number of private creameries have operated as pool creameries on a cost plus basis. Now the association proposes to enlarge its activities and acquire properties for handling products all the way to market. A plan for such expansion, presented at the annual meeting, was unanimously approved by the members in attendance, some of whom "had often dreamed of the possibilities of marketing their own products direct to the consumers, but few realized that such a possibility was so near at hand."

The association began its work in January, 1926, with 3,547 members under contract, and decided to limit operations to 12 creameries the first year. Two of the 12 did not begin work until May. On January 1, 1927, the membership had grown to 6,456 and 41 creameries were operated during the year.

The president stated that there was a growing sentiment in the province in favor of trying to coordinate the services and marketing facilities of the livestock, dairy, egg, and poultry pools, and the directors in executive session adopted a resolution recommending that the investigation of the possibilities of such coordination be continued.

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MILK ASSOCIATION HAS MEMBERS IN FIVE STATES

A total of 806,782,146 pounds of milk was marketed through the Inter-State Milk Producers' Association, Inc., Philadelphia, during the calendar year of 1927. This was an increase of 31 per cent over 1926, when 615,931,400 pounds of milk was marketed. Total sales for 1927 were \$28,866,665, which was a weighted average price of \$3.578 per 100 pounds of 4 per cent milk f.o.b. Philadelphia.

The distribution of the membership of the association by states and the quantity of milk received from each of the five states contributing to the total supply, was as follows:

State	Members		Milk marketed, 1927	
	(Number)	(Per cent)	(Pounds)	(Per cent)
Pennsylvania	13,596	63.9	526,188,674	65.2
Maryland	3,844	18.1	117,366,577	14.6
New Jersey	2,229	10.5	99,498,806	12.3
Delaware	1,590	7.5	59,580,522	7.4
West Virginia	- - -	- -	4,147,567	.5
Total	21,259	100.0	806,782,146	100.0



MONTHLY PAPER FOR MILWAUKEE MILK PRODUCERS

"Milwaukee Milk Producer" is the name of a new cooperative paper. It is published monthly by the Milwaukee Cooperative Milk Producers, the first number appearing in April. The two numbers so far issued consist of eight pages of three columns each. In the first number the purpose of the paper is stated to be to "keep our members better informed about our association and its work, to keep them posted on what is going on, and to bring to them. . . . valuable information relating to dairy markets and dairying methods." The paper is to be enlarged as the advertising patronage makes such action possible.

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DAIRY SALES OF WASHINGTON ASSOCIATION INCREASE

Dairy sales by the Inland Empire Dairy Producers' Association, Spokane, Wash., increased from \$773,924 in 1926 to \$828,959 in 1927, a gain of seven per cent. The association received in 1927, 12,702,117 pounds of milk, the greater part of which was sold as fluid milk. In addition, the member-producers delivered 2,362,280 pounds of cream. The fluid milk, sold as such, had a sales value of \$290,095, and the sales value of the table cream marketed was \$18,688. Butter sales amounted to nearly half a million dollars. Supplies to the value of \$42,266 were purchased during 1927 for the member-producers who number more than one thousand. The association owns a processing plant valued at more than \$50,000.

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OHIO MILK ASSOCIATION WORKING SYSTEMATICALLY

Four new plants have been acquired within the past eight months by the Ohio Farmers' Cooperative Milk Association, Cleveland, Ohio, the fourth being purchased from the Claremont Farm Dairy Company very recently. A plant at Painesville was purchased from the receivers in August, a new plant was erected at Fostoria in November, and the property of the Erie County Milk Producers' Association at Sandusky was acquired through a merger of the Erie County association and the Cleveland association.

About 70 per cent of the milk required by the city of Cleveland is supplied from a territory with a 60-mile radius. There is still a big gap in the circle southeast of Cleveland and the Cleveland association is planning a campaign to enlist dairymen of that section with the expectation of erecting a milk-handling plant as soon as possible.

OREGON COOPERATIVE ASSOCIATION OPERATES CANNERY

A somewhat smaller quantity of fruit was received by the Producers' Cooperative Packing Company, Salem, Ore., in 1927 than in the preceding season. Approximately 181,000 pounds less fruit was packed than for 1926. This association which was formed in 1921 as the Producers' Canning and Packing Company, cans prunes, plums, pears, cherries, loganberries, blackberries, raspberries, strawberries, and gooseberries.

Its output for the last four years has been as follows: 1924, 43,010 cases; 1925, 45,470 cases; 1926, 86,026 cases; 1927, 76,204 cases.

Receipts of the more important fruits have been as follows:

Year	Prunes	Logan-berries	Black-berries	Bartlett pears	All fruits
	(Pounds)	(Pounds)	(Pounds)	(Pounds)	(Pounds)
1921	421,282	1,145,609	654,456	79,584	4,021,015
1922	1,344,058	626,837	302,139	164,044	2,702,315
1923	1,254,194	516,816	363,168	309,028	2,980,379
1924	541,153	237,491	216,550	147,597	1,360,404
1925	542,963	148,578	226,677	261,726	1,352,441
1926	852,627	379,747	384,510	631,631	2,583,678
1927	710,222	313,819	155,832	602,046	2,402,545

Four of the 1927 pools have been closed and the proceeds distributed among the producers. The fruits and pool prices per pound were: black raspberries, 10.4 cents; red raspberries, 8.5 cents; blackberries, 4.25 cents; prunes, 2 cents.

Since the annual meeting in 1927, paid-in capital stock has been increased by a stock dividend of 50 per cent. Outstanding stock on March 31, 1928, consisted of 1087 shares of a par value of \$100, held by 150 members. The book value of these shares was slightly more than the par value. The present authorized capitalization of the company is \$125,000.

The secretary of the company in his annual report to the membership says: "This association is just a plain business organization operated for but one purpose, that of service to its members, just what that may mean is largely up to each individual. Whatever success we may have had in the past years is due to the members of the association who have given it their support. Its future is in your hands . . . the whole system of food distribution is undergoing a change . . . However, we are firm in our conviction that we are on the right track, and that cooperation is our salvation."

### REPORT OF NEW JERSEY CRANBERRY COOPERATIVE

Shipments by the Growers' Cranberry Company, Philadelphia, for the 1927-28 season were 1,623 barrels, 85,841 half barrels, and 38,632 quarter-barrel boxes. Total shipments were equivalent to 54,201½ barrels which were sold at an average price of \$13.98. Seven per cent deductions made from sales amounted to \$53,463, of which amount \$38,441 was withheld by the overhead sales agency for marketing expense and \$15,022 was applied toward the expenses of the local association. At the close of the season there was an unexpended balance of \$1,767 which was credited to the grower members in proportion to the amount of gross sales of each.

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### ONTARIO ONION GROWERS WORKING TOGETHER

A new cooperative is the Ontario Onion Growers Cooperative, Limited, incorporated on February 28, 1928, to market the product of some 2,000 acres devoted to this crop. A consular report states that approximately all of the 145 growers have pledged their support to the pool. The plan is for the association to sell the crop through the established onion dealers of the district who will be bound by contract not to buy from growers outside the pool. Headquarters have been set up at Chatham, and a system of grading is to be established.

The association is incorporated for \$14,000, divided into 560 shares of \$25 each. A domestic demand relieves the growers of the need of developing an export market.

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### NEW BUILDINGS FOR YAKIMA FRUIT GROWERS

When the Yakima Fruit Growers' Association, Yakima, Wash., completes its building program for 1928, it will have seven cold storage plants and eight common storage and packing plants, valued at more than a million dollars with their equipment. The cold storage space will accommodate 1,275 cars of fruit.

The new plant under construction at Weikel will have cold storage space for 275 cars and will also be equipped with exceptionally heavy refrigeration facilities for soft fruits, providing for 82 tons of refrigeration and precooling capacity for 7,000 boxes of pears every 24 hours. The present plant is to be widened to make room for more sizing machines. Construction work at this point will cost about \$130,000.

Another packing plant and storage building is being erected at Ahtanum, at an estimated cost of \$40,000. Refrigeration equipment to the value of \$35,000 will probably be installed in this building after a year or two, thus providing cold storage for 140 more cars.



CITRUS EXCHANGE JOINS CLEARING HOUSE IN A BODY

By virtue of action taken recently by the executive committee, the Florida Citrus Exchange, Tampa, will join the proposed Florida Citrus Growers' Clearing House Association as a body, thereby giving the new organization at one stroke half of the tonnage required for operation. Only one condition must be fulfilled, that the Clearing House Association attain the goal it has set for itself, 60 per cent of the fruit under contract by July 10. When this percentage is secured the members of the Citrus Exchange will automatically become members of the Clearing House Association, under obligation to deliver their fruit and otherwise comply with the contracts and by-laws which they have already signed. Authority to take this action is given to the executive committee in the existing contracts between growers, associations, sub-exchanges and the Exchange.

In addition to giving the Clearing House Association half of its required membership at once, there will be a great saving in the time and expense required for the membership campaign as the solicitors will not have to interview the Citrus Exchange growers individually.

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BEAN GROWERS ISSUE SPECIAL SIGN-UP PUBLICATION

A special sign-up number of The Bean Market was issued on April 25, by the Colorado Bean Growers' Association, Denver, in connection with its membership campaign. The issue is highly pictorial.

One page shows the growth and objects of the organization, illustrating how it began with 60 farmers pooling their beans in 1925, and grew to 600 in 1926, 1,700 in 1927, and has set the goal for 5,000 in 1928. As with other farmers' business organizations the chief object is to secure better returns for the crops. Five methods are employed: orderly marketing, eliminating fluctuations, putting out quality beans, opening new markets, reducing expenses.

One page each is devoted to an illustrated discussion of "What the Pool is Doing" along the following lines: in boosting the average price to members; in getting results from standardization; in the saving of dockage; in meeting mixed-car demand; in the way of deducting expenses. Another page illustrates "how to figure the average price."

Three bean pool warehouses are owned and operated by the association through the Colorado Bean Growers' Warehousing Corporation. These are the first units of a proposed chain of warehouses. Advantages to members of such ownership and operation are discussed.

The association is planning to establish locals at all points where there is a large enough membership to maintain an organization. Farm storage on 1927 beans was discontinued on April 15. Members who stored their own beans were allowed 3 cents a bushel a month from October 15.

### ALBERTA GROWERS URGED TO USE REGISTERED SEED

The management of the Alberta Cooperative Wheat Producers, Ltd., Calgary, is urging members to aid in maintaining a high standard for Alberta wheat by introducing registered seed. As only a limited number of the members can afford to buy registered seed in quantities the management proposes that a grower secure a small quantity and plant a plot for the special purpose of raising seed for the next year. Growers are advised that by starting on a small scale and developing a supply gradually the desired end may be attained at small expense.

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### SALES AGENCY SERVES FARMERS' ELEVATORS

More than 4,200 cars of grain were marketed by the Equity Union Grain Company, Kansas City, Mo., during the year ending April 30, 1928. Income from commissions, gains on hedges, and net interest earned, amounted to \$89,363 for the year, and expenses were \$59,112, making the net operating earnings, \$30,251.

This cooperative sales agency was organized in 1915 to sell grain on the Kansas City market for the Equity Union farmers' elevators located tributary to Kansas City. The activities of the company for the past six years are indicated by the following figures:

Year ending April 30	Number of cars handled	Income*	Expenses	Net earnings	Dividends paid
					(Per cent)
1923	2,704	\$52,779	\$31,733	\$21,046	8
1924	3,220	60,967	35,929	25,038	10
1925	3,090	70,834	39,457	31,377	15
1926	2,575	62,858	42,579	20,279	15
1927	2,157	38,257	47,431	** 9,173	--
1928	4,206	89,363	59,112	30,251	--

\* Including commissions, gain in hedging and net interest earned.

\*\* Loss.

The company had a net worth of \$159,953 at the close of its last business year. This figure included outstanding capital stock, largely held by farmers' elevators, to the amount of \$101,250, and surplus accumulated from earnings to the amount of \$50,673.

Recently a subsidiary, under the name of the Equity Union Auditing Association, was created to furnish auditing service to the cooperative associations of the territory. A certified public accountant has been selected as manager.

ASSOCIATION SELLS LIVESTOCK WORTH MILLION DOLLARS

About 250 livestock producers in the vicinity of Sheldon, Iowa, have marketed 54,436 animals during the past four years through their local association, the Farmers' Cooperative Livestock Shipping Association. These animals had an f. o. b. value at shipping point of \$1,376,688. About 85 per cent of all the animals shipped were hogs; about 9 per cent, cattle; and 6 per cent, sheep. The number of animals of each kind shipped each of the four years was as follows:

Year	Hogs	Cattle	Sheep	Total
1924	12,180	1,233	1,060	14,473
1925	10,669	1,186	660	12,515
1926	9,962	1,163	666	11,791
1927	13,513	1,056	1,088	15,657
Total	46,324	4,638	3,474	54,436

The value of the yearly shipments at loading point, as given in the annual reports of the manager, is shown below, with the per cent paid to producers:

Year	Hogs	Cattle	Sheep	Total	Paid growers
					(Per cent)
1924	\$ 222,051	\$ 52,127	\$ 8,193	\$ 282,371	99.0
1925	285,126	46,495	6,501	338,122	99.3
1926	303,170	51,516	6,585	361,271	99.4
1927	330,563	54,261	10,100	394,924	99.3
Total	\$1,140,910	\$ 204,399	\$31,379	\$1,376,688	99.3 Av.

The livestock was marketed at Sioux City, about 75 miles distant from Sheldon. Owing to the low freight charge because of nearness to market, the producers received an unusually large percentage of the selling price at Sioux City.

The association was formed in 1920 for the purpose of marketing livestock at actual cost. It ships principally to the cooperative sales agencies at Sioux City, although shipments are made to private commission firms when the owners of stock so request. The management of the association rests in a board of seven directors who meet quarterly.

Forty-four new members were added to the list during 1927.



### COTTON FARMERS LEARNING ABOUT THEIR BUSINESS

More than one hundred cotton farmers called at the office of the North Carolina Cotton Growers' Cooperative Association, Raleigh, during the month of April. Most of these callers were men who had cotton in the optional pools and wanted to sell their cotton or wanted to inquire about the prospects and possibilities. They came from 20 counties of the state. Several of the men were not members of the association but were considering the matter of becoming members.

In settling for cotton in the optional pools the association remits approximately 90 per cent of the value as soon as the owner orders the cotton sold and the price is determined. This is followed by an additional 5 per cent when the cotton is shipped and payment received. The remaining 5 per cent is retained until the end of the season and operating expenses are deducted therefrom.

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### COOPERATIVE SELLING AND BUYING IN ALABAMA

Farm products valued at more than a million dollars were sold cooperatively by small groups of Alabama farmers in 1927, according to data compiled by the Alabama Polytechnic Institute, Auburn. Some of the products and their sales value were: hogs, \$496,668; turkeys, \$125,000; hay, \$71,093; wool, \$70,800; seed, \$43,947; lambs, \$11,806. Increased returns to farmers because of the collective activity are estimated at more than \$100,000. In addition to the informal cooperative marketing there were 107,000 bales of cotton sold through the Alabama Farm Bureau Cotton Association, which returned to the growers more than \$7,000,000. Some of the other associations in the state are credited with sales of nearly \$1,000,000 each.

The purchases of farm supplies amounted to about \$1,500,000, including the following: fertilizers, \$1,200,000; seed, \$156,464; feed, \$25,179; explosives, \$24,084.

Purchases made so far in 1928 through the Alabama Farm Bureau Mutual Supply Association, Montgomery, indicate increased cooperative buying for the current year. Fertilizer purchases amount to 100,680 tons, and seed purchases to 790,649 pounds.

Plans are now being made for selling 300,000 pounds of wool of the 1928 clip at three auctions. The wool from groups of counties in two sections of the state will be assembled at convenient points and offered at auction to mill buyers. It is believed that in moving the fleeces direct from producers to mill the costs of marketing will be reduced.



FARMERS BUYING ASSOCIATION REPORTS INCREASED BUSINESS

March of 1928 is reported by the management of the Eastern States Farmers' Exchange, Springfield, Mass., as being the first million dollar month in the history of the association. The total sales for the month were \$1,059,557.

Big gains are reported in the quantities of feeds, fertilizers and certified seeds sold during the first three months of 1928, as compared with the same period in 1927. The feed sales were greater by 261 car loads than for the same months of 1927, which year was the best in the history of the organization. Farmers have already executed contracts for more than 80,000 tons of feed to meet their 1928-29 requirements.

Orders for fertilizers for the first three months of the current year were 54 per cent larger than for the same months last year.

Certified seed shipments for January, February and March were more than double the shipments for the first three months of 1927.

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COUNTY ASSOCIATION BUYS SUPPLIES FOR FARMERS

Fertilizer, seeds, spray materials, feeds, lime, twine, and feeder cattle, are the commodities handled for farmers by the Adams County Farm Bureau Cooperative Association, Inc., Gettysburg, Pa. The organization has an office and warehouse at Gettysburg with a full-time manager in charge but the most of its purchases are distributed from the car doors at eight country distributing stations. Some lines of goods, including fertilizers, lime, and feeder cattle, are distributed from car door only. When goods are handled through the warehouse a sufficient charge to cover the extra handling is added to the car-door price, thereby encouraging the car-door deliveries. The general manager works on a salary basis. He sends out price lists, solicits orders and purchases supplies. Orders are also solicited by eight car-door agents who distribute the supplies and collect the money from each buyer when a car load is received. These agents work on commission, receiving one dollar per ton for handling feeds and 3 per cent commission on all other supplies.

This buying association has operated two years. Its sales for the first year amounted to \$112,000, and approximately the same amount the second year although it distributed nearly twice as many feeder cattle. At the end of the second year it had 219 members, each of whom had signed a membership note for \$100 to be used as collateral. The association finances the purchases and goods are sold for cash. Cost of operation during 1927 was 3.9 per cent of sales.

### COOPERATIVE LAW ENACTED IN EGYPT

A new law to encourage the formation of cooperative societies went into effect in Egypt, September 15, 1927, according to a consular report from Alexandria. Types of societies which this law proposes to encourage include those for production, for buying and selling land, for credit, insurance, irrigation and drainage works, and construction of economical houses. The law defines the legal limitations and restrictions, and specifies the regulations governing shares of stock, loans, obligations of societies and their members, and the administration of societies. The government appropriated 250,000 Egyptian pounds to help carry out the program outlined.

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### CONSUMERS' COOPERATIVES IN SOVIET RUSSIA

A summary of the most important work of the consumers' cooperatives of the Union of Socialist Soviet Republics during the past three years, issued by Centrosoyus, the central union of consumers cooperative societies, furnishes figures regarding membership. On October 1, 1924, these societies had 7,129,000 members of whom 3,529,000 belonged to the rural societies, 17.9 per cent. On the corresponding date of 1927 the total membership had grown to 15,075,000, of whom 9,260,000, 38 per cent, were rural members.

On these figures the report comments that before the war the cooperative shareholders were chiefly the well-to-do farmers but at the present time the poor and middle class peasants predominate.

Data are also given regarding the number of consumers' societies of each type. Selected figures below show the totals for each year, the number of rural societies and rural shops for each year, and the percentages which are rural:

Oct. 1	Total number of societies	Number of rural societies	Per cent of total	Total number of shops	Number of rural shops	Per cent of total
1924	22,621	21,023	93	37,129	28,735	77
1925	25,586	24,028	94	51,458	36,397	71
1926	28,656	27,642	96	62,736	45,294	72
1927	28,616	27,162	95	71,143	52,000	73

Figures compiled by the Commissariat of Trade show that the cooperatives supplied the rural people with 23.5 per cent of their purchases in 1924-25; 29.2 per cent in 1925-26; and 34.4 per cent in 1926-27.

MAJORITY OF ASSOCIATION CONTROLS

A case decided by the Supreme Court of Illinois, entitled *Aberdeen-Angus Breeders' Association v. Fullerton*, 156 N. E. 314, illustrates the principle that the majority rules in meetings of associations. The association involved was formed for maintaining the purity of the breed of Aberdeen-Angus cattle and was nonprofit and nonstock. At a meeting held in Chicago 146 members were present in person and 2787 proxies were presented. In voting for directors a minority of the members of the association accumulated their votes,— that is, instead of voting in favor of three different candidates for the office of director each member voted three times in favor of the same candidate, thus foregoing his right to vote for three candidates for that office.

The president, who was presiding, declared that the three candidates receiving the highest number of votes were elected directors, including A. C. Johnson in whose favor cumulative voting had been indulged in. A member of the association then made a motion the effect of which was to exclude Johnson and to declare another candidate for the office of director, elected. The president declared this motion out of order. An appeal was then taken from his decision and this motion was then declared out of order. Thereupon, a motion was made that one Fullerton be made the chairman of the meeting. "The maker of the motion put it, declared it carried, and a number of the members" then went upon the platform "where the president, secretary and treasurer were, ejected them from their positions and Fullerton assumed authority as chairman of the meeting."

Following this occurrence a number of the members present withdrew from the meeting. Fullerton, acting as chairman, entertained the appeal which had been taken from the decision of the chair and another person was declared elected to the office of director instead of Johnson and Fullerton was elected president. The meeting then adopted amendments to the by-laws providing for the election of the president by the members by ballot at the annual meeting instead of by the directors and adopted certain other amendments to the charter and by-laws. The old officers of the association and the association then brought suit against Fullerton, who had been elected president, and seven other defendants who had supported him in his candidacy for director, asking for an injunction to restrain them from taking possession of the office rooms, records and assets of the association and from interfering with the complainants individually or as officers of the association.



Eventually the case was carried to the Supreme Court of Illinois, which court upheld the action taken by the majority at the meeting. The court pointed out that the principal question for decision was the right of the members to vote cumulatively for Johnson for director. The right to so vote was based upon a provision in the Constitution of the State, but the Supreme Court on an examination of this section held that the language thereof was appropriate only for corporations having capital stock, stockholders and shares of stock, and therefore held that the provision had no application to a nonstock corporation. With respect to the conduct of the president in refusing to put motions the court said:

The right of the majority of the members to control the action of the meeting cannot be questioned. A presiding officer cannot arbitrarily defeat the will of the majority by refusing to entertain or put motions, by wrongfully declaring the result of a vote, or by refusing to permit the expression by the majority of its will. He is the representative of the body over which he presides. His will is not binding on it, but its will, legally expressed by a majority of its members, is binding. . . . The body had authority to remove its presiding officer and choose another in his place.

The Supreme Court of Delaware has held (*Standard Scale and Supply Corp. v. Chappell*, 141 A. 191.) that where members or shareholders of a corporation attempt to vote cumulatively, without authority so to do, the votes thus cast are not void but should be counted for the proposition or person voted for as though no attempt had been made to vote cumulatively. It should be remembered that at common law each member or shareholder of a corporation is entitled to one vote only, regardless of the number of shares of stock he might own or of the amount which he may have put into a corporation and that the right to vote cumulatively does not exist at common law. Moreover, any restrictions on the right to vote in a corporation, generally speaking at least, must be based upon statutory authority.

Again at common law there is no right to vote by proxy, but every vote must be personally given, unless the statute, the charter, or, in some jurisdictions, a by-law, confers the right to vote otherwise.

L. S. Hulbert.



ELEVATOR MANAGEMENT TAUGHT IN MONTANA

Among the short courses in agriculture for farm boys, offered by the Montana State College during the first quarter of 1928, was a course in Elevator Operation and Management. This course was planned to fit young men of ability to qualify as managers of local elevator companies, with the aid of practical elevator experience. The subjects included: Principles of marketing, Elevator accounting, Elevator organization and management, and Principles of agricultural economics. Other subjects offered were: Production of small grain, Soil management, Commercial law, and Business English.

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INTERNATIONAL SUMMER SCHOOL AT HAMBURG

The eighth annual summer school of the International Cooperative Alliance is to be held in Hamburg, Germany, July 7 to 21, 1928. As in former years, the morning sessions four days a week will be given to lectures and discussions. Copies of the lectures, printed in English, French and German, will be circulated in advance. Other mornings and the afternoons will be devoted to trips to some of the numerous cooperatives in the vicinity of Hamburg. Charges for instruction, board and excursions will be \$20 per week, with a registration fee of \$2.50 in addition. Persons from many lands attend these schools and the statement is made that "Differences in language are no barrier, and delightful friendliness and informality prevail."

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THIRD INTERNATIONAL WHEAT POOL CONFERENCE

Plans for the third International Wheat Pool Conference, to be held at Regina, Sask., June 5-7, 1928, are nearing completion. The scope of the conference has been broadened to include cooperatives handling livestock, dairy products, wool, fruit, poultry, and other commodities, also consumers' societies. Representatives of the wheat pools of the United States and Australia are expected, as well as representatives of the Australian government, of the English and Scottish Cooperative Wholesale Societies, the British Empire Marketing Board, the International Cooperative Alliance, and Russian marketing societies. A number of the large commodity marketing associations of this country will send delegates, and special conferences will be arranged. The premiers of Saskatchewan and Alberta have consented to address the conference, also the Minister of Agriculture of the Dominion.

### SECOND NEW ENGLAND INSTITUTE OF COOPERATION

The second annual New England Institute of Cooperation is to be held at the Massachusetts Agricultural College, Amherst, Mass., June 26 to 29. The announcement states that a prominent part of the program will be given to questions sent in by persons interested in cooperative buying and selling.

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### COOPERATIVE SCHOOL FOR FARMERS' UNION WORKERS

A cooperative training school under the auspices of the Farmers' Educational and Cooperative State Union of Nebraska, is announced for the first two weeks in October. This will be the first school of the kind to be held in Nebraska. Among the subjects included in the course of study are: history and principles of cooperation, cooperative accounting, bookkeeping, and cooperative and business administration. Those directly charged with the conduct of the school aim to arrange for the presentation of those subjects, the discussion of which will be most helpful to the managers, assistant managers and prospective managers of Farmers' Union cooperative enterprises. Tuition for the two weeks will be \$10.

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### ALBERTA PLANNING INSTITUTE OF COOPERATION

The Province of Alberta is arranging for a cooperative institute some time during the coming summer, probably the last week in June. Plans are being formulated by the trustees of the war-time Wheat Board surplus fund.

The general objects of the institute are stated as follows:

1. To collect and make available a body of knowledge concerning the cooperative movement in Canada and abroad.
2. To serve as a means of clarifying thought as to what the cooperative movement really is and of bringing about more harmony and unity of action among organizations directly or indirectly connected with cooperation.
3. To serve as a means of training and developing leaders and workers in the cooperative movement.
4. To focus the spirit of the cooperative movement as a means of community and national development.

Well known authorities on various lines of cooperative effort in the United States and Canada are being listed to appear on the program. The point at which the institute will be held is still undecided. The decision will depend to some extent upon the number of farmers and others who plan to attend the meetings.

"THE FARMERS' PART IN COOPERATIVE MARKETING"

A recent bulletin of the Agricultural Experiment Station of the Oklahoma Agricultural and Mechanical College, Stillwater, Okla., tells of "The Farmers' Part in Cooperative Marketing." The author, W. W. Fetrow, is convinced that farmers need to have a better understanding of their duties toward cooperative marketing associations and to be guided by such an understanding. A threefold relationship is considered: Cooperative associations are organized for farmers, they are composed of farmers, and their control is vested in farmers.

With these ideas in mind a study was made in the fall and winter of 1925-26 among farmers in certain sections of Oklahoma to find out what the farmers thought their duties were and how they were performing these duties. Data were secured from members of the Oklahoma Cotton Growers' Cooperative Association and from farmers who were not members. The information collected is used as a basis for outlining to growers as clearly as possible just what responsibilities they have toward cooperative enterprises.

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RADIO LESSONS IN COOPERATIVE MARKETING

Ten concise lessons in Cooperative Marketing by ten specialists of the Division of Cooperative Marketing, make up the contents of the circular, "U. S. Radio Farm School," issued by the Office of Information, of the U. S. Department of Agriculture. These lessons were broadcast from a group of stations weekly from February 22 to April 25, 1928. The titles are as follows:

1. Development of cooperative marketing associations.
2. Why farmers cooperate.
3. Some accomplishments of cooperative creameries.
4. Cooperative marketing of fluid milk.
5. The farmers' elevator movement.
6. Farmers' terminal associations marketing grain.
7. Progress and problems of cooperative cotton marketing associations.
8. Cooperative marketing of livestock.
9. Cooperative marketing of fruits and vegetables.
10. The members' part in cooperative marketing.

Copies of this circular may be procured from the Division of Cooperative Marketing, Department of Agriculture, Washington, D. C.



REPORTED BY THE ASSOCIATIONS

The Alberta Cooperative Wholesale Association, Edgerton, Alberta, was set up on February 28. This new organization will function as a buying agent for existing associations in Alberta.

Eleven cooperative hog sales at Ozark, Ala., during the 1927-28 season resulted in the sale of 6,394 hogs for \$72,023. Sales of this character have been conducted at Ozark for about ten years.

Representatives of the wheat pools of the United States at a meeting held at Lincoln, Nebr., April 21, decided to call a meeting of representatives of all farmer-controlled cooperatives in Chicago for June 1.

When the essay contest on cooperative marketing sponsored by the Oklahoma Cotton Growers' Association, closed on April 20, 5,843 essays had been received and others have been coming in ever since. These essays are assorted into three classes, 4-H clubs, vocational schools and negro contestants. Five hundred six essays have come from negro clubs of Muskogee County alone.

Articles dealing with the responsibilities of the producer and association are appearing in the weekly issues of the Washcoegg, the official publication of the Washington Cooperative Egg and Poultry Association, Seattle, Wash. Eight subjects concerning the association and a similar number concerning the producers are being used for the weekly articles, which appear under the name of the president of the organization.

A call has been issued by the Central States Cooperative League, Bloomington, Ill., for its second annual congress, to be held in Bloomington, May 27 and 28. Every cooperative society in the Central States district is urged to send delegates to the congress. The first two sessions will be given to routine business, the formulation of policies, discussion of cooperative principles, and outlining plans for the coming year. Joint buying is the topic assigned for the last session, with consideration of plans for broadening the work of the League along this line.

Bulgaria's most active cooperative organizations are the people's banks, according to information issued by the International Labour Office, Geneva. The movement began with one town bank in 1903. After a slow growth for some years it was making good progress when interrupted by the Balkan wars. Since 1919 a moderate rate of increase has brought the total number of town banks up to 94. In the country districts one bank was started in 1911, and the next not till 1918. Since then the number has increased to 95, of which 25 were formed in 1927, making a total of 189 in the country.



SELECTED LIST OF PUBLICATIONS AND ARTICLES

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- Croes, C. W. Review of South Dakota Pool History Reflects Interesting Facts. South Dakota Wheat Grower, Aberdeen, S. D., May 10, 1928, p. 1.
- History and Development of Farmers Elevators in Kansas. Kansas Union Farmer, Salina, Kans., May 10, 1928, p. 2.
- Horner, J. T. Price Policies of Cooperative Marketing Associations. C. M. P. A. Bulletin, Hartford, Conn., May 1, 1928, p. 1.
- Kozelka, F. L. Advantages of Cooperative Marketing. The Federation Guide, Plymouth, Wis., May, 1928, p. 6.
- McLoughlin, William J. Views on the Agricultural Credit Corporation and Credit Societies. The Irish Statesman, Dublin, Ireland, April 14, 1928, p. 107.
- Moser, C. O. Association Members Should Help Create Demand for Cotton Goods. North Carolina Cotton Grower, Raleigh, May, 1928, p. 8.
- Organized Milk Marketing (Editorial) New England Homestead, Springfield, Mass., May 5, 1928, p. 4.
- Our Cooperatives. (Editorial) Missouri Farm Bureau News, Jefferson City, Mo., May 11, 1928, p. 2.
- Peckinpugh, J. M. The Experiences of Western Wheat Pools Prove Pooling System. (Radio Address) Western Producer, Saskatoon, Sask., May 3, 1928, p. 18.
- Rew, Sir Henry. The Canadian Wheat Pool. Sunday Times, London, England, April 15, 1928.
- Tufford, Henry H. Cooperative Pelt Selling Requires Solidity. Pacific Homestead, Salem, Oreg., April, 1928, p. 7.
- What Cooperatives Can and Can't. (Editorial) Pacific Rural Press, San Francisco, Calif., April 28, 1928, p. 540.
- Wheat Poolers Confer. (Editorial) Nebraska Farmer, Lincoln, Nebr., May 5, 1928, p. 6.

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